

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:)	Docket No. 01-AFC-19
)	
Application for Certification)	SMUD'S PREHEARING
of the Sacramento Municipal)	CONFERENCE STATEMENT
Utility District's Cosumnes)	
Power Plant Project)	
_____)	

The Sacramento Municipal Utility District ("SMUD" or "the District") hereby submits this Prehearing Conference Statement pursuant to the Presiding Committee's "Notice for 1st Prehearing Conference" in the Cosumnes Power Plant ("CPP") Project Application for Certification ("AFC") proceeding.

INTRODUCTION

SMUD is pleased to report that with a few exceptions, it has now reached agreement with the California Energy Commission (CEC) Staff on nearly all of the conditions of certification that should be included in the Committee's Proposed Decision approving the CPP AFC. SMUD has carefully reviewed the Final Staff Assessment ("FSA"), which was issued on February 11, 2003, and in particular, the Staff's proposed conditions of certification in each technical area. At this time, the only issues that SMUD expects to adjudicate are in the areas of Air Quality and Hazardous Materials Management. In all other areas, SMUD is either in complete agreement with CEC Staff, or has proposed minor wording changes that we believe CEC Staff will accept prior to the evidentiary hearings. SMUD's proposed changes to the FSA conditions of certification are attached in redline format in Exhibit A.

At the time that this Prehearing Conference Statement is being written, SMUD has not yet seen the FSA section on Water or on Cooling Alternatives. However, SMUD and CEC Staff executed a "Joint Stipulation on Water Source," which is attached as Exhibit B. Therefore, SMUD does not anticipate the need to adjudicate water issues.

SMUD is also making significant progress on biology issues and is close to reaching agreement with the applicable state and federal agencies on the appropriate level of mitigation for all biological impacts of the power plant and

pipeline facilities. Therefore, SMUD does not expect that there will be contested hearings in the area of Biology. At the Prehearing Conference on February 21, 2003, SMUD will update the Committee on the latest developments in biology.

ADJUDICATED ISSUES

AIR QUALITY

There are three principal issues between CEC Staff and SMUD in the area of Air Quality.

First, SMUD is unable to find adopted regulations consistent CEC Staff's analysis of PM₁₀ and PM_{2.5} impacts, and with the CEC Staff's proposed mitigation requirements based on that analysis in FSA Condition AQ-SC5. SMUD expects to present testimony in opposition on this issue.

Second, regarding construction mitigation SMUD questions the requirement to place soot filters on construction equipment specified in FSA Condition AQ-SC3 paragraph q. SMUD questions whether CEC Staff has provided or can provide justification for requiring dust mitigation measures for this project more stringent than those required for other, similar projects. SMUD will present testimony on these issues.

Third, SMUD is reviewing CEC Staff's changes and additions (SC-1 through SC-43) to the District's conditions contained in the Final Determination of Compliance ("FDOC"). These changes and additions differ from those presented by the District, including reducing ammonia slip from 10 to 5 ppm in AQ-23, and expanding the reporting requirements contained in AQ-34. SMUD questions the need for the CEC Staff to duplicate the analysis and monitoring requirements established by the District in accordance with both the federal and state laws and the District's own rules established to ensure compliance with those laws. SMUD will submit proposed changes to these conditions in redline and strikeout format and will also present testimony addressing the CEC Staff's proposed changes and additions to the District's conditions.

For the reasons stated above, SMUD will file testimony in the area of Air Quality. This testimony may include discussion of other air quality issues once SMUD has completed its detailed review of the FSA and compared the Staff's requirements with those contained in the FDOC.

HAZARDOUS MATERIALS MANAGEMENT

There are two major issues requiring adjudication between CEC Staff and SMUD in the area of Hazardous Materials Management.

First, SMUD does not feel that FSA Condition HAZ-8 (p. 4.4-21, 22) will provide additional safeguard. This condition would require SMUD to have all tanker truck shipments of aqueous ammonia, in excess of 1,000 gallons, escorted by a lead vehicle equipped with fog lights and a two-way radio or other method of communicating with the transportation vehicle. SMUD willingly complies with both state and federal regulations regarding the transport of hazardous materials. As recognized by CEC Staff, the risks of exposure to significant concentrations of aqueous ammonia during transport are “insignificant because of the remote possibility of accidental release of a sufficient quantity to present a danger to the public.” In light of the above, SMUD questions the need for Condition HAZ-8, because of the existing proven safeguards for the transportation of hazardous materials. SMUD further proposes that since the concern arises from the existence of heavy fog during morning hours, the condition be revised to limit the hours of delivery. SMUD will present testimony on this issue.

Second, SMUD feels that FSA Condition COM-8 is currently covered by SMUD's existing policies which take into account state and federal guidelines on security for gas fired power plants. This condition would require SMUD to submit for CEC review and approval a Construction and Operation Security Plan. (FSA, p. 7.1-8; see also FSA, p. 4.4-14, 15 regarding Site Security). This is a new requirement. SMUD is already working with state, federal and local authorities to ensure security of all District facilities, including the Rancho Seco nuclear site and the power plant site.

SMUD'S DECLARATIONS AND TESTIMONY

In the area of Air Quality, SMUD intends to present the testimony of Gary Rubenstein and Stuart Husband, Safety, Health & Environmental Specialist. In Hazardous Materials Management, SMUD intends to present the testimony of Bob Nelson, Superintendent Project Development, and Jerry Salamy, Senior Project Manager CPP Project - Chemistry. If CEC Staff insists on retaining Condition COM-8, regarding Site Security, SMUD intends to present the testimony of Jim Shetler, Assistant General Manager Energy Supply.

In all the other subject areas, which are non-contested as between CEC Staff and SMUD, SMUD intends to present written declarations of experts supporting findings in each area. SMUD will also make available the following project staff to answer questions from the Committee or the public regarding all aspects of the project, either individually or as a panel: Colin Taylor, Project Director, and Kevin Hudson, Licensing Project Manager (with backup support as necessary from Bob Nelson, Joe Pennington, Pipeline Superintendent, and Scott Flake, Project Engineer).

CONCLUSION

SMUD looks forward to the expeditious resolution of all evidentiary issues so that a Proposed Decision can be issued as early as possible this Spring 2003.

Respectfully submitted,

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Dated: _____

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Attachments:

Exhibit A. Redline Changes to FSA Conditions of Certification

Exhibit B. "Joint Stipulation on Water Source" between CEC Staff and SMUD

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